RAJYA SABHA

Wednesday, the 24th February, 1999 5th Phalguna, 1920 (Saka) The House met at eleven of the clock, Mr. Chairman *in the Chair*

ORAL ANSWERS TO QUESTIONS

Modernisation of the spinning sector

@*21. SHRI S. VIDUTHALAI VIRUMBI: Will the Minister of TEXTILES be pleased to state:

(a) whether Government are aware that the spinning mills like the weaving and composite mills, are also suffering inspite of all efforts made to modernise this sector;

(b) whether Government would come forward to scrutinise the causes for the suffering of the entire textile industry, including the spinning sector; and

(c) whether Government would allocate the amount required for modernisation of the spinning sector from textile upgradation and modernisation fund?

THE MINISTER OF TEXTILES (SHRI KASHIRAM RANA): (a) to (c) A Statement is laid on the Table of the House.

Statement

(a) Representations have been received from certain textile associations stating, *inter-alia* that spinning mills also are facing difficulties in modernisation similar to the weaving and composite mills.

(b) Government has set up an Expert Committee on July 24, 1998 to review and evaluate the impact of the existing Textile Policy and identify the changes that arc necessary. One of the important terms of reference of the Committee is as follows:

> 'To review the measures taken so far for tackling sickness in the textile industry and to make suggestion for improving the economic viability of the textile industry as also to identify steps which would be necessary to prevent and tackle sickness in the industry, including the need for structural adjustement through redeployment of labour and capital.'

(c) The Scheme for Technological upgradation has designated three nodal agencies namely, Industrial Development Bank of India (IDBI), Industiral Finance Corporation of India (IFCI) and Small Industries Development Bank of India (SIDBI) to which the eligible textile and jute units can make applications for loans for technological upgradation and these agencies after satisfying themeselves as regards viability etc., would advance loans to the eligible units at applicable rates with an interest incentive of five percentage points on such loans to be provided by the Government. Such of those spinning units as would choose to undertake technological upgradation alongwith post spinning activities including processing or weaving would also be eligible, if the proposal is found to be otherwise viable by the lending agency.

@ Starred Question Nos. 21. 24 and 30 were taken together.

Technology upgradation fund for textile industry

@*24. SHRI PREM CHAND GUPTA: Will the Minister of TEXTILES be pleased to state:

(a) whether it is fact that Rs. 25,000 crores Technology Upgradation Fund has been set up for the textile industry to boost exports; and

(b) if so, what has been the impact of this on our export performance?

THE MINISTER OF TEXTILES (SHRI KASHIRAM RANA): (a) and (b) Government has approved a Technology Upgradation Fund Scheme w.e.f. April 1, 1999 under which loans at applic-able rate of interest would be available to the eligible textile and jute units to meet their modernisation needs to make such